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C O N F I D E N T I A L SECTION 01 OF 02 NEW DELHI 005139

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TAGS: [ETRD](#) [ETTC](#) [PREL](#) [CU](#) [IN](#)

SUBJECT: INDIA MAINTAINS MODEST RELATIONS WITH CUBA

REF: A. SECSTATE 158768

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Classified By: Acting DCM John Davison for Reasons 1.4 (B and D)

¶1. (SBU) In response to the request for information on India's relations with Cuba set out in ref a, Embassy New Delhi provides the following assessment based on the most recent and readily available information.

Indo-Cuban Relations Mostly Symbolic Legacy of NAM

¶2. (C) Post is unaware of any significant efforts the GOI has made to advance democracy, human rights and fundamental freedoms in Cuba in the past six months. Nonetheless, India maintains that democracy promotion is a guiding principle of its foreign policy. Post found no information on significant activity in support of Cuban civil society through the GOI's diplomatic mission in Havana, or in local legislative bodies.

Post is unaware of any high-level visits between the two countries in the past six months and believes most bilateral diplomatic contact will take place in the context of Cuba's continuing leadership of the Non-Aligned Movement.

¶3. (U) Cuba and India do have a renewable-energy cooperation agreement, signed in 1998 and valid until 2009, to help consolidate and integrate Cuba's strategies for hydroelectric, wind, thermal and solar power generation. Cuba is the only Latin American nation to have such a pact in India.

¶4. (U) India provides 50 annual scholarships to Cubans under the Indian Technical and Economic Cooperation Program, bringing government officials and other nominees to study in the best Indian institutions specializing in rural development, mass communications, small-scale industries, banking, computer technology, management and various other fields. Post is not aware of any other exchange programs between the two countries.

Trade Rising but Still Slight

¶5. (U) Official two-way trade between India and Cuba increased from USD 15.33 million in FY 2005-2006 to USD 30.50 million in FY 2006-2007, almost all of which was Indian exports to Cuba, but this represents only 0.01 percent of India's overall trade. The main exports from India to Cuba

are pharmaceuticals and chemicals, machinery and instruments, machine tools, rubber products, and plastics and linoleum, in the total amount of USD 29.30 million. India,s imports from Cuba were down 64 percent to just USD 1.20 million, with metal ores and scrap and pharmaceuticals accounting for the bulk. While there are no available quantitative estimates of the volume, the Indian Embassy in Cuba acknowledges that there is substantial trade between the two countries via third countries, especially Spain, Canada, and Panama.

¶6. (U) According to GOI estimates, Cuban investment in India is minuscule at USD 1.04 million this fiscal year through July. Two Indo-Cuban biotech joint ventures have been set up in India. Panacea Biotech is a tie-up between Panacea of India and Heber Biotech of Cuba for production of Hepatitis vaccines in Punjab. Biocon Pharmaceuticals and Cuban entity CIMAB, SA, have set up a joint venture in Bangalore for production of monoclonal antibodies for treatment of cancer, as well as some other health products. In both joint ventures, Cuban participation has been solely via transfer of technology.

¶7. (U) The Indian company ONGC Videsh Limited (OVL) has entered the Cuban oil-prospecting market. It signed an international economic association agreement with Spanish REPSOL for a 30-percent share in the deep-sea exploration of six blocks in the Cuban sector of the Gulf of Mexico. OVL also signed a direct deal with Cuba Petroleo for the exploration of two more deep-sea blocks. OVL has an office in Havana.

Effect on Indo-US Ties

¶8. (C) The ongoing transformation of US-India relations has improved our ability to engage in frank and open discussion

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with the GOI on third-country relations. Actions against Indian entities or nationals in US courts for trafficking in confiscated property in Cuba would certainly strike a negative cord among the Indian public and within the GOI leadership. While unlikely to derail the overall positive direction of our bilateral partnership, it would set a note of discord within the relationship. The economic implications of such actions would likely be very minimal.

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